Calendar No. 1215

98TH CONGRESS
2d Session

SENATE

REPORT
98–629

SABINE RIVER AUTHORITY LAND CONVEYANCE

SEPTEMBER 20 (legislative day, SEPTEMBER 17), 1984.—Ordered to be printed

Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, submitted the following

REPORT

[To accompany S. 1754]

The Committee on Agriculture, Nutrition, and Forestry, to which was referred the bill (S. 1754) to direct the Secretary of Agriculture to convey, without consideration, to the Sabine River Authority of Texas, approximately 34,000 acres of land within the Sabine National Forest, Texas, to be used for the purposes of the Toledo Bend project, Louisiana and Texas, having considered the same, reports favorably thereon with an amendment and an amendment to the title and recommends that the bill, as amended, do pass.

SHORT EXPLANATION

S. 1754, as reported by the Committee, would require the Secretary of Agriculture, within 180 days after enactment of the bill, to convey certain lands within the Sabine National Forest in Texas to the Sabine River Authority of Texas. The lands to be conveyed are in or adjacent to the Toledo Band Reservoir, which is located in Louisiana and Texas, and consist of (1) approximately 31,000 acres of land inundated by the reservoir, (2) an 11-acre recreational site, and (3) approximately 107 acres of land in the flood plain that would no longer be immediately adjacent to land owned by the United States in the Sabine National Forest after conveyance of the other lands involved.

The bill provides that, in exchange for the conveyance of the lands by the United States, the Sabine River Authority of Texas must (1) convey to the United States approximately 586 acres of land in the flood plain that lie on the shoreline of the Toledo Bend Reservoir and are immediately adjacent to national forest lands and (2) deposit with the Secretary of Agriculture $650,000.

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The conveyance of the lands by the United States would not include the subsurface rights, and the United States would retain a reversionary interest with respect to the inundated lands so that, if such lands ever ceased to be used for reservoir purposes, they would revert to the United States and would resume their status as National Forest System lands.

Upon completion of the conveyances, the Sabine River Authority of Texas and the Sabine River Authority of Louisiana would be exempted from the Federal land-use fees and administration charges referred to in the project license issued by the Federal Energy Regulatory Commision for the Toledo Bend project.

COMMITTEE AMENDMENT

The Committee amendment to the text of the bill strikes all after the enacting clause and inserts an amendment in the nature of a substitute.

The Committee amendment to the title of the bill is conforming in nature.

PURPOSE AND NEED

In 1954, the States of Texas and Louisiana entered into an agreement providing for the equitable apportionment and comprehensive development of the water resources of the Sabine River. In 1955, the Sabine River Authorities of Texas and Louisiana entered into a contract for the financing, construction, and operation of the jointly-owned Toledo Bend Reservoir project.

The Toledo Bend Reservoir is located on the Sabine River in the States of Texas and Louisiana and forms a portion of the boundary between the two States. The reservoir is approximately 65 miles in length and is the largest man-made body of water in the South and the fifth largest in the United States. The reservoir was completed in 1968 and has a controlled storage capacity of 4,477,000 acre feet. Water from the reservoir normally covers an area equal to 186,000 acres. The primary uses of the reservoir are for the development of water supplies, the generation of hydroelectric power, and recreation.

The Toledo Bend Reservoir makes up part of the Toledo Bend project, which is composed of the reservoir, a hydroelectric power plant, and a 72-foot-high earthen dam with a concrete spillway. The power generation capacity of the plant, which is currently the largest hydroelectric facility in the deep South, is 95,000 KVA.

The Toledo Bend project was licensed by the Federal Power Commission in 1963. This license authorized construction of the project and the utilization, through inundation, of over 31,000 acres of the Sabine National Forest in the State of Texas. The cost of the project was $70 million and was financed through assistance from the States of Texas and Louisiana and through a power sales agreement providing for the sale of the electric power output from the hydroelectric plant to three investor-owned utility companies. Under the agreement, the utility companies pay a fixed amount for the operation of the project, as well as make debt service payments.

Beginning in 1970, a rental fee was set for the use of the lands of the Sabine National Forest that had been flooded as a result of this project. This fee was set at $84,000 per year during the 1970–77 time period, but was increased in 1978 to $287,472 and is estimated to exceed $440,000 for 1983. Thus far, the Sabine River Authorities, have been exempted by the Federal Energy Regulatory Commission from paying the rental fees since the Authorities have successfully argued that they make no profit on the electric power they sell and, therefore, qualify for a waiver of fees under the provisions of section 10(e) of the Federal Power Act. Under the Federal Power Act, the Authorities must apply for this exemption on an annual basis. Thus, they cannot be assured that an exemption will be forthcoming for each year in the future. Moreover, submission of the application it itself time-consuming.

Athough there is no expectation that the situation will change, the Authorities are concerned that, if conditions change in the future, the rental fees may not be waived. Also, they would like to be relieved of the administrative burden of having to annually request a fee payment waiver. To accomplish this, the Authorities wish to require the Federal lands occupied by the reservoir. Although the fair market value of the inundated portion of the lands is difficult to determine, the Authorities are willing to make a payment for such land in return for being released from the obligation to pay future fees.

The bill is needed (1) to give the Secretary of Agriculture the authority to make the land transfers specified in the bill and (2) to ensure that the specified land transfers are made so as to preclude the payment of rental fees on the 31,000 acres of flooded National Forest System land.

The bill is also needed to remove the possibility for inequitable treatment of the State of Louisiana if rental fees are charged in the future. The National Forest System lands that would be exchanged under the bill lie within the State of Texas. If rental fees are required to be paid on these lands, both the States of Texas and Louisiana would pay one-half the rental fees. Under current Government policy, however, 37½ percent of the rental fee is returned to the State in which the National Forest System land is located—Texas, in this case. Consequently, the effect of the policy would be to benefit the State of Texas at the expense of the State of Louisiana. Enactment of the bill ensures that this inequity will not occur.

Not only will the bill eliminate the requirement that the Sabine River Authorities annually file rental waiver requests with respect to the National Forest System land, but the bill will provide for more efficient management of the National Forest System lands adjacent to the Toledo Bend Reservoir through a consolidation of land holdings by both the United States and the Sabine River Authorities. This will enable the Forest Service to more effectively manage the Sabine National Forest.

COMMITTEE CONSIDERATION

Hearing

On Thursday, May 24, 1984, the Subcommittee on Soil and Water Conservation, Forestry, and Environment met to hear testimony on S. 1754.

In a letter addressed to Chairman Helms, Senators Tower, Bentsen, Long, and Johnston stated their support of the bill. They stated that they introduced S. 1754 to relieve the Sabine River Authority from having to pay rent on Forest Service land that had been flooded by the Toledo Bend Reservoir. They stated that it appeared to be counter-productive to hold the possibility of collecting rent on these flooded acres over the Sabine River Authority at a time when there is a great need for State responsibility for such projects.

J. Lamar Beasley, Deputy Chief of Programs and Legislation, U.S. Forest Service, stated that the Department of Agriculture strongly opposes the bill unless it is amended to provide for conveyance of the land at fair market value.

Mr. Beasley explained that, while most of the land in question is permanently flooded, the bill also conveys a significant amount of National Forest land which lies between the Toledo Bend Reservoir's normal pool and its flood pol.

He stated that the bill offers opportunities to clear up some administrative issues and to provide for more efficient management of national forest lands around the reservoir, but the bill should be amended to conform to the Forest Service land exchange authorities and the Administration's policy of seeking fair market value consideration for Federal lands conveyed.

Mr. Sam Collins, Executive Vice President and General Manager of the Sabine River Authority of Texas, testified in support of the bill and an amendment conveying to the Sabine River Authority about 31,000 acres of the Sabine National Forest, to be used for the purposes of the Toledo Bend project.

He explained that the Federal Government has already benefitted from the reservoir project, since land values around the reservoir have risen from $40–$50 per acre to $2,000–$3,000 per acre. He said the project has also benefitted the Federal Government and the general public in the form of a stronger economy in western Louisiana and eastern Texas, improved water and siltation conditions, and improved navigation. He explained that the requirement for an annual payment for the use of the national forest lands could create a hardship on the States of Louisiana and Texas and could affect the decisions of other States concerning water resource development through State/Federal partnership relations.

Mr. David Smith, Jr., representing the Sabine River Authority, State of Louisiana, on behalf of the Chairman of that Authority, urged the passage of S. 1754 is an amended form. He state that the transfer of these national forest lands would not set a precedent because of the unique nature of the Toledo Bend project. He also stated that there is no similar rental charge requirement for the flooding of a substantial portion of the Angelina National Forest by the Sam Rayburn Reservoir, less than 30 miles from the Toledo Bend Reservoir.

He said the Toledo Bend project is consistent with national water policy in that it requires State monetary support and gives priority to projects in which the State voluntarily provides "up front" money. He stated that the specter of the annual rental fee threatens the project and will discourage other State and local governments from entering into similar arrangements.

COMMITTEE MARKUP

The Committee met on Thursday, September 13, 1984, to consider S. 1754.

Senator Huddleston pointed out that Senators Tower, Bentsen, Long, and Johnston had requested the assistance of the Committee in securing passage of S. 1754. Senator Huddleston further indicated that the bill, as originally introduced, needs to be amended to address certain concerns of the Forest Service. Such an amendment has been worked out and was recently adopted by the Subcommittee on Forests, Family Farms, and Energy of the House Agriculture Committee. This amendment would provide for an exchange of lands rather than a conveyance of lands solely by the United States, payment of $650,000 by the Sabine River Authority of Texas, retention of all mineral rights by the United States in the lands it conveys, and reversion of the lands to the United States if they cease to be used for the Toldo Bend project. Senator Huddleston moved the adoption of such an amendment. By voice vote, the amendment was adopted.

By voice vote, the Committee ordered S. 1754 reported, as amended, with a recommendation that it pass.

SECTION-BY-SECTION ANALYSIS

Land exchange

Section 1 of the bill requires the Secretary of Agriculture, not later than 180 days after the date of enactment of the bill, to convey, by quitclaim deed in exchange for the land and other consideration specified in section 2, to the Sabine River Authority of Texas, lands owned by the United States in the Sabine National Forest in and adjacent to the Toledo Bend Reservoir, located in Louisiana and Texas. The lands are depicted on a map, dated August 1984, on file in the Office of the Chief of the Forest Service, Department of Agriculture, and are as follows:

(a) Approximately 31,000 acres of such lands which are inundated and below an elevation of 172 feet mean sea level;

(b) That portion of Recreational Site No. 5 consisting of approximately 11 acres of such lands, not subject to inundation, which are heavily developed for recreational use and lie above 175 feet mean sea level; and

(c) Approximately 107 acres of such lands in the flood plain which are at an elevation of 172 feet mean sea level or higher but not higher than 175 feet mean sea level and which, after the conveyance of lands described in clauses (a) and (b), would no longer be immediately adjacent to land owned by the United States in the Sabine National Forest.

Consideration

Section 2 provides that, in exchange for the conveyance of those lands described in section 1, the Sabine River Authority of Texas must (1) convey, by quitclaim deed, to the United States those lands in the flood plain comprising 586 acres which are at an elevation of 172 feet mean sea level or higher but not higher than 175 feet mean sea level and which lie on the shoreline of the Toledo Bend Reservoir

and are immediately adjacent to land owned by the United States in the Sabine National Forest and (2) deposit with the Secretary the sum of $650,000. The lands to be conveyed are depicted on a map, dated August 1984, on file in the Office of the Chief of the Forest Service.

Reservation and reverter

Section 3 provides that, in the deed of exchange for the lands described in section 1, the Secretary of Agriculture must convey all right, title, and interest of the United States to such lands except that the Secretary shall reserve for the United States any subsurface rights that it owns, including, but not limited to, oil and gas, and shall provide that title in the lands described in section 1(a) shall revest in the United States upon failure by the Sabine River Authority of Texas to use the lands for Toledo Bend project purposes. Any lands that become revested in the United States will be included in and will resume their previous status as National Forest System lands.

Fee exemption

Section 4 provides that upon completion of the conveyances described in sections 1 and 2 of the bill, the Sabine River Authority of Texas and the Sabine River Authority of Louisiana will be exempt from Federal land-use fees and administration charges referred to in the license for Project No. 2305 issued by the Federal Energy Regulatory Commission or any renewal or extension thereof.

Applicability of other law

Section 5 provides that the exchange provided for under the bill will be considered an exchange under the Act of December 4, 1967, as amended (16 U.S.C. 484a), notwithstanding the acreages involved. The sums deposited with the Secretary of Agriculture under section 2 of the bill are to be handled in the same manner as sums deposited with the Secretary under that Act. Under the Act of December 4, 1967, sums deposited with the Secretary are included in a special fund in the Treasury and, when appropriated, are available for acquisition of lands in the same State as the exchanged lands.

ADMINISTRATION VIEWS

On April 4, 1984, Chairman Helms received a report from Secretary of Agriculture John R. Block expressing the Department's views that S. 1754 should not be enacted unless it is amended as suggested by the Department. On May 24, 1984, J. Lamar Beasley, Deputy Chief for Programs and Legislation of the Forest Service, Department of Agriculture, testified on behalf of the Department before the Subcommittee on Soil and Water Conservation, Forestry, and Environment on S. 1754.

The April 4 report from Secretary Block and the portion of Mr. Beasley's May 24 testimony on S. 1754 follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, April 4, 1984.

Hon. JESSE HELMS,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: As you requested, here is our report on S. 1754, a bill "To direct the Secretary of Agriculture to convey, without consideration, to the Sabine River Authority of Texas, approximately thirty-four thousand acres of land within the Sabine National Forest, Texas, to be used for the purposes of the Toledo Bend project, Louisiana and Texas."

The Department of Agriculture recommends that S. 1754 not be enacted unless amended as recommended herein.

S. 1754 would direct the Secretary of Agriculture to convey without consideration approximately 34,000 acres of National Forest System land to the Sabine River Authority of Texas. The lands lie within the project boundary of the Toledo Bend Dam and Reservoir and would be used only for the purposes of that project; if used for any other purposes, the land would revert to the United States. The bill provides that all mineral rights would be retained by the United States.

Most of the land that is included in S. 1754 lies below the reservoir's conservation pool, or normal level, of 172 feet mean sea level (MSL). However, it also includes some lands to the 175-foot MSL, which equates to the flood pool. Thus, the bill proposes to convey more than lands which are permanently flooded. There is a sizeable area of National Forest land between 172 and 175 feet MSL, including portions of five parcels of National Forest recreational lands. Four of these parcels are essentially undeveloped; the fifth has heavy recreational development on about 40 acres with the potential for development on the remaining 140 acres of that parcel.

The land in question is under license (pursuant to the Federal Power Act, 16 U.S.C. 791(a)–825(r)) by the Federal Energy Regulatory Commission to the Sabine River Authority. The license (number 2305) was issued on October 14, 1963, and expires in 2013. It describes about 35,000 acres of National Forest land. The Authority has not paid any fees for the use of the National Forest because they have successfully argued that they qualify for a waiver of fees under the provisions of section 10(e) of the Federal Power Act.

The bill identifies the land to be conveyed as that shown in exhibit "K" of license number 2305. Our files on this project contain no exhibit "K." In seeking to clarify this, we have learned that the Federal Energy Regulatory Commission issued an order on May 27, 1983, approving a new exhibit "K" to license number 2305. The order is part of an administrative proceeding to revise the project boundary. Among other actions, the order places on proposed new exhibit "K" all of the five parcels mentioned above which had heretofore been identified as

project recreational lands on exhibit "R" (the five parcels total 631 acres).

Neither the National Forest headquarters in Texas, the Regional Office in Atlanta nor the Washington Office of the Forest Service were consulted with or were advised that this proceeding had begun. Accordingly, we requested a stay on the Commission's order on June 23, 1983 and our staff is developing a response to the proposal to revise the project boundary.

It is our view that the bill would convey lands which should be retained by the Forest Service. This includes (1) portions of the five parcels of recreational lands, (2) the strip of land between 172 and 175 feet MSL where this strip is part of additional National Forest lands, and (3) easement or recreational development rights below 172 feet MSL where National Forest lands front the reservoir.

On the other hand, we believe that a revised bill would offer opportunities to clear up some ownership problems and permit more efficient management of the National Forest lands surrounding the reservoir. We suggest that National Forest lands (1) below 172 feet MSL (the submerged lands), (2) that portion of recreational site five which is heavily developed, and (3) certain frontage lands between 172 and 175 feet MSL which were retained by the Forest Service to protect the shoreline when the remainder of the tract was exchanged, be conveyed to the Authority. Such conveyance should be subject to easements and recreational development rights reserved to the United States where such rights are necessary for administration of related National Forest lands. Further, we suggest that conveyance should be either by sale or exchange. Accordingly, we recommend that suitable amendments be made to the bill to accomplish our suggestions. We would be happy to work with the Committee and the Sabine River Authority in identifying those lands which we believe would be appropriate to convey.

The President has directed, in his Federal Property Review Program, that discounted or no-cost conveyances to States and local government entities be limitied and that the Federal Government should receive full compensation for conveyance of Federal lands. Therefore, we recommend that the bill also be amended to require that the Authority pay fair market value for the National Forest lands that would be conveyed by S. 1754.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

JOHN R. BLOCK,
Secretary.

STATEMENT OF J. LAMAR BEASLEY, DEPUTY CHIEF, PROGRAMS AND LEGISLATION, FOREST SERVICE, U.S. DEPARTMENT OF AGRICULTURE

(Concerning S. 2590/H.R. 4263, S. 2551/H.R. 5076, S. 2598/H.R. 3788 and S. 1754)

Mr. Chairman and Members of the Subcommittee: Thank you for the opportunity to join with the Subcommittee in its deliberation of several bills that would designate portions of the National Forests in Tennessee, Pennsylvania and Texas as components of the National

Wilderness Preservation System. With the exception of the sufficiency and release language, the House-passed bills are nearly identical to their Senate counterparts. The House-passed bill H.R. 3788, designating wilderness in Texas, contains the recently adopted Senate-House compromise language on release of nonwilderness areas. We prefer that language over that in the introduced Senate versions and urge its incorporation into the Pennsylvania and Tennessee bills. We will also discuss S. 1754, which would direct the Secretary of Agriculture to convey about 34,000 acres of National Forest System land in Texas to the Sabine River Authority.

* * * * * * *

S. 1754—To direct the conveyance of 34,000 acres of National Forest System lands in Texas to the Sabine River Authority

S. 1754 would require the Secretary of Agriculture to convey about 34,000 acres of land in the Sabine National Forest, Texas, to the Sabine River Authority without consideration. We strongly oppose this legislation unless amended to provide for conveyance at fair market value.

The lands in question lie within the project boundary of the Toledo Bend Dam and Reservoir. The reservoir is managed by the Sabine River Authority in accordance with the terms and conditions of a license issued by the Federal Energy Regulatory Commission. Most of the acreage is permanently flooded. Some of the lands, however, lie between the reservoir's normal, or conservation, pool and the flood pool, a strip of and represented by a 3 foot difference in elevation. A sizeable area of National Forest land occurs in this area, including portions of five parcels of National Forest recreational lands. It is our view that the bill would convey some lands which should be retained by the Forest Service.

On the other hand, we believe the bill offers opportunities to clear up some administrative issues and also to provide for more efficient management of the National Forest lands around the reservoir. A land conveyance to the Authority may be an appropriate action in this regard. To accomplish this, however, we recommend that the bill be amended to conform to our land exchange authorities, and to the Administration's policy of seeking fair market value consideration for Federal lands conveyed. Any conveyance should be subject to ease ments and recreational development rights reserved to the United States where such rights are necessary for administration of related National Forest lands. A conveyance could be by sale, if the legislation specifically authorized it, as well as exchange. We have initiated discussions with the Authority, at the encouragement of the House Agriculture Committee, to determine the conditions and values involved in such a conveyance. It may be necessary to revise the bill to reflect these negotiations. We will keep the Committee fully informed as these negotiations progress.

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COST ESTIMATE

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the Committee estimates that only nominal costs will be incurred by the Federal Government as a result of the enactment of S. 1754.

The cost estimate prepared by the Congressional Budget Office is consistent with the Committee's estimate. The letter to Chairman Helms submitting that cost estimate reads as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 20, 1984.

Hon. JESSE A. HELMS,
Chairman, Committee on Agriculture, Nutrition and Forestry, U.S. Senate, Russell Senate Office Building, Washington, DC

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed S. 1754, a bill to direct the Secretary of Agriculture to convey, without consideration, to the Sabine River Authority of Texas approximately thirty-four thousand acres of land within the Sabine National Forest, Texas, to be used for the purposes of the Toledo Bend Project, Louisiana and Texas, as ordered reported by the Senate Committee on Agriculture, Nutrition and Forestry, September 13, 1984.

S. 1754 directs the Secretary of Agriculture to convey approximately 31,118 acres of land in the Sabine National Forest to the Sabine River Authority in exchange for approximately 586 acres of land on the shoreline of the Toledo Bend Reservoir plus a cash equalization payment of $650,000. Assuming enactment of S. 1754 by October 1984, the exchange would occur in fiscal year 1985 and the government would receive the $650,000 in that fiscal year. No official appraisal has been made of the lands to be exchanged.

No direct budget impact to state or local governments is expected to result from enactment of this bill.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

RUDOLPH G. PENNER, *Director.*

REGULATORY IMPACT STATEMENT

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact that would result from enactment of S. 1754.

The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses; nor will there be an effect on personal privacy, since the purpose of the bill is only to direct an exchange of lands by the United States and the Sabine River Authority of Texas, with a cash equalization payment to be made by such Authority. A small amount of paperwork will result from the enactment of S. 1754 in filing legal documents to consummate the exchange and in maintaining records of the subsurface and reversionary rights retained by the United States.

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Calendar No. 1216

98TH CONGRESS
2d Session

SENATE

REPORT
98–630

CONVEYANCE OF NATIONAL FOREST SYSTEM LAND TO CRAIG COUNTY, VA

SEPTEMBER 20 (legislative day, SEPTEMBER 17), 1984.—Ordered to be printed

Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, submitted the following

REPORT

[To accompany H.R. 5183]

The Committee on Agriculture, Nutrition, and Forestry, to which was referred the bill (H.R. 5183) to direct the Secretary of Agriculture to convey certain National Forest System lands to Craig County, VA, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

SHORT EXPLANATION

H.R. 5183, as reported by the committee, directs the Secretary of Agriculture to transfer approximately 52 acres of land to Craig County, VA, upon payment to the Secretary of the fair market value of the property.

PURPOSE AND NEED

H.R. 5183 would direct the Secretary of Agriculture to convey the U.S. right, title, and interest in a 52-acre tract of National Forest System land to Craig County, VA. Craig County will pay the Secretary the fair market value of the 52-acre tract in return for this conveyance.

The land that would be conveyed under the bill is part of the Jefferson National Forest and was acquired by purchase from private parties in 1936. Since 1973, the county has used 10.5 acres of the tract as a sanitary landfill under a special use permit from the Forest Service. There has been no charge for this use. The county now seeks to acquire the 52 acres to expand the sanitary landfill for possible use as a disposal site for sludge from a sewage treatment plant the county plans to construct with a grant from the Environmental Protection Agency. Alternative sites in the area are difficult to locate, in part because most of the land in the county is owned by the United States.

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The county has easements that provide access to this site, so long as the site is used for landfill purposes.

This tract of land is isolated from other National Forest System lands. Because of this factor and its relatively small size, the land is not a key tract for national forest management. Further, the Department of Agriculture has reported that this property contains no deposits of valuable minerals. Sand is mined and sold commercially in the area. However, because the supply of sand greatly exceeds demand at the present time, the presence of sand would have little effect on the fair market value of the property. There is currently an application for an oil and gas lease on the property. The application is being held without action pending completion of the proposed sale. Such leases are common in the area, but are entered into for speculative purposes only because the potential for oil and gas development is low. There are no coal deposits on the property.

The bill does not provide that a "public purpose" reversionary interest be retained by the United States as a condition for making the land transfer. Customarily, "public purpose" reversionary interests are retained by the United States when conveyances of Federal real property are made to State or local governments. The reversionary interest to the United States becomes effective if the land transferred is put to some use other than a "public use."

In this case, however, the parcel of land is relatively small and has very little potential for mineral development. Further, the United States will be paid for the fair market value of the land, which will reflect the value of any mineral rights inhering in it. In light of these factors, the committee does not believe that the public interest will be served by retaining a "public purpose" reversionary interest in the 52-acre tract. However, the committee's action in this matter does not signal any abandonment of the general policy favoring the retention of "public purpose" reversionary interests in federally owned real property that is conveyed to State or local governmental units.

COMMITTEE CONSIDERATION

On September 13, 1984, the Committee on Agriculture, Nutrition, and Forestry met in business session to consider H.R. 5183. Senator Huddleston noted that the bill provides for the transfer of 52 acres of National Forest System land to Craig County, VA, upon payment by the county of the land's fair market value. He further noted that the county has been using a portion of this land as a landfill under a Forest Service special permit granted in 1973 and that the county desires to purchase this land for use as a site for the disposal of sludge from a sewage treatment plant that the county plans to construct. Senator Huddleston also noted that the House had passed this bill in June 1984, and that the bill was supported by both Virginia Senators.

Upon the motion of Senator Huddleston, the committee, by voice vote, ordered H.R. 5183 reported to the Senate with a recommendation that it pass.

SECTION-BY-SECTION ANALYSIS

Section 1(a) of H.R. 5183 provides that the Secretary of Agriculture shall, upon receipt by the Secretary of moneys equal to the fair market value of the real property described in the bill, convey by quitclaim deed to Craig County, VA, all right, title, and interest of the United States in such described real property.

Section 1(b) of the bill contains a legal description of the 52-acre tract to be conveyed to Craig County, VA.

ADMINISTRATION VIEWS

The views of the Department of Agriculture on H.R. 5183 are set forth in a letter, dated May 11, 1984, from Acting Secretary of Agriculture Richard E. Lyng to E ((Kika) de la Garza, chairman, House Committee on Agriculture. As recommended by the Department of Agriculture, section 2 of H.R. 5183, as introduced, was deleted in the House of Representatives and does not appear in the bill. The text of that letter follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, May 11, 1984.

Hon. E (KIKA) DE LA GARZA,
Chairman, Committee on Agriculture, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: In response to your request, here are the Department of Agriculture's views on H.R. 5183, a bill to direct the Secretary of Agriculture to convey certain National Forest System lands to Craig County, VA.

The Department of Agriculture has no objection to the enactment of H.R. 5183. However, we recommend that section 2 be deleted.

The bill would direct the Secretary of Agriculture to convey all right, title, and interest of the United States to a 52-acre tract of National Forest System land to Craig County, VA. Payment of fair market value by the county would be required. Section 2 provides that the land would revert to the United States if the county would attempt to convey it to a third party, or encumber its title, or permit its use for other than public purposes.

The land is a part of the Jefferson National Forest and was acquired by purchase from private parties in 1936. It is surrounded on all sides by private land. The county has held a special use permit since 1973 to use 10.5 acres of the tract as a sanitary landfill. There has been no charge for this use.

We understand that the county seeks to acquire the 52 acres to expand the sanitary landfill for possible use as a disposal site for sewage sludge from a sewage treatment plant the county plans to construct with a grant from the Environmental Protection Agency.

Because the tract is isolated from other National Forest System lands, and because of its relatively small size, it is not a key tract for national forest management. Conveying only that portion of the parcel involved in the landfill is not considered practical, since the residual lands would be an uneconomic unit for national forest management purposes. We estimate the value of the parcel to be about $400 an acre. An appraisal would be required to establish the fair market value.

We recommend that section 2 be deleted. This provision is not necessary in order to protect the public interest. The land is not essential for national forest purposes. Sale at fair market value will properly compensate the Federal Government. Deletion of section 2 will avoid the necessity of maintaining property records in perpetuity for this tract.

We estimate that the one-time cost of carrying out the provisions of H.R. 5183 would be $500 for appraisals and preparation of the necessary documents.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

RICHARD E. LYNG,
Acting Secretary.

COST ESTIMATE

I.

In compliance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the committee estimates that enactment of H.R. 5183 will result in no significant budget impact. The bill directs the Secretary of Agriculture to sell 52 acres of National Forest System land to Craig County, VA, at a fair market price. Based on information supplied by the Department of Agriculture, it appears that the land in question is valued at approximately $20,000. The bill will have no effect on Federal budget authority or outlays.

II.

The committee's estimate of the cost of the bill is consistent with a cost estimate that was prepared by the Congressional Budget Office. The Congressional Budget Office estimate is contained in a letter transmitted tc Chairman Helms that reads as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 14, 1984.

Hon. JESSE A. HELMS,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed H.R. 5183, an act directing the Secretary of Agriculture to convey certain National Forest System lands to Craig County, VA, as ordered reported by the Senate Committee on Agriculture, Nutrition, and Forestry, September 13, 1984.

This bill would direct the Secretary of Agriculture to sell 52 acres of National Forest System land to Craig County, VA, at a fair market value. Based on information from the Department of Agriculture, it is estimated that the value of the land is about $20,000. This bill would not otherwise affect the Federal budget or the budgets of state or local governments.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

JAMES BLUM
(For Rudolph G. Penner).

REGULATORY IMPACT STATEMENT

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the committee makes the following evaluation of the regulatory impact that would result from enactment of H.R. 5183.

The bill requires the Secretary of Agriculture to convey 52 acres of National Forest System land to Craig County, VA, upon receipt of payment for the fair market value of the land. The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses; nor will there be an effect on personal privacy since the only purpose of the bill is to direct the sale of land owned by the United States to Craig County, VA.

Since no reversionary interest in the 52 acres is being retained by the Federal Government, there will be no long-term recordkeeping requirement imposed on the Forest Service by the bill. A small amount of paperwork will result from enactment of H.R. 5183, however, because of the legal documents that must be filed to consummate the transfer of title.

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